

Mississippi Secretary of State
700 North Street P. O. Box 136, Jackson, MS 39205-0136

ADMINISTRATIVE PROCEDURES NOTICE FILING

AGENCY NAME State of MS Division of Medicaid		CONTACT PERSON Margaret Wilson	TELEPHONE NUMBER 601-359-5248	
ADDRESS Walter Sillers Building, Suite 1000 550 High Street		CITY Jackson	STAT E MS	ZIP 39201
EMAIL Margaret.wilson@medicaid.ms.gov	SUBMIT DATE JUN 12 2013	Name or number of rule(s): Title 23, Part 220 Radiology, Chapter 1 General, Rules 1.2 and 1.7-1.10		

Short explanation of rule/amendment/repeal and reason(s) for proposing rule/amendment/repeal: This Administrative Code filing is to modify Title 23, Part 220 Radiology, Chapter 1 General, Rule 1.2 and add new Rules 1.7-1.10 to require prior authorization for certain outpatient advanced imaging procedures by the Division of Medicaid's Utilization Management / Quality Improvement Organization (UM/QIO) except when performed during an inpatient hospitalization, during an emergency room visit or during a twenty-three (23) hour observation period. According to the SOS APA § 25-43-1.103, the effective date is July 1, 2013, to correspond with the approved SPA 2013-007.

Specific legal authority authorizing the promulgation of rule: MS Ann. Code §§ 25-43-1.103, 43-13-121; 42 CFR § 440.230.

List all rules repealed, amended, or suspended by the proposed rule: Part 220 Radiology, Chapter 1 General, Rule 1.2 amended and new Rules 1.7-1.10. Non substantive changes made to Rules 1.1, 1.3-1.5 for language clarification.

ORAL PROCEEDING:

☐ An oral proceeding is scheduled for this rule on Date: _____ Time: _____ Place: _____

☒ Presently, an oral proceeding is not scheduled on this rule.

If an oral proceeding is not scheduled, an oral proceeding must be held if a written request for an oral proceeding is submitted by a political subdivision, an agency or ten (10) or more persons. The written request should be submitted to the agency contact person at the above address within twenty (20) days after the filing of this notice of proposed rule adoption and should include the name, address, email address, and telephone number of the person(s) making the request; and, if you are an agent or attorney, the name, address, email address, and telephone number of the party or parties you represent. At any time within the twenty-five (25) day public comment period, written submissions including arguments, data, and views on the proposed rule/amendment/repeal may be submitted to the filing agency.

ECONOMIC IMPACT STATEMENT:

☐ Economic impact statement not required for this rule. ☒ Concise summary of economic impact statement attached.

TEMPORARY RULES	PROPOSED ACTION ON RULES	FINAL ACTION ON RULES
_____ Original filing _____ Renewal of effectiveness To be in effect in _____ days Effective date: _____ Immediately upon filing _____ Other (specify): _____	Action proposed: <input checked="" type="checkbox"/> New rule(s) <input checked="" type="checkbox"/> Amendment to existing rule(s) _____ Repeal of existing rule(s) _____ Adoption by reference Proposed final effective date: _____ 30 days after filing <input checked="" type="checkbox"/> Other (specify): JUL 01 2013	Date Proposed Rule Filed: _____ Action taken: _____ Adopted with no changes in text _____ Adopted with changes _____ Adopted by reference _____ Withdrawn _____ Repeal adopted as proposed Effective date: _____ 30 days after filing _____ Other (specify): _____

Printed name and Title of person authorized to file rules: David J. Dziolak, Ph.D., Executive Director

Signature of person authorized to file rules: [Signature]

OFFICIAL FILING STAMP	DO NOT WRITE BELOW THIS LINE OFFICIAL FILING STAMP	OFFICIAL FILING STAMP
Accepted for filing by	 Accepted for filing by <u>[Signature]</u>	Accepted for filing by

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.



DELBERT HOSEMAN
Secretary of State

CONCISE SUMMARY OF ECONOMIC IMPACT STATEMENT

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. This is a Concise Summary of the Economic Impact Statement which must be filed with the Secretary of State's Office.

AGENCY NAME Division of Medicaid	CONTACT PERSON Margaret Wilson	TELEPHONE NUMBER 601-359-5248
ADDRESS Walter Sillers Building, Suite 1000	CITY Jackson	STATE MS
EMAIL Margaret.wilson@medicaid.ms.gov	ZIP 39201	
DESCRIPTIVE TITLE OF PROPOSED RULE Prior Authorization of Certain Advanced Imaging Procedures		
Specific Legal Authority Authorizing the promulgation of Rule: MS Code §§ 25-43-1.103, 43-13-121; 42 CFR § 440.230.		Reference to Rules repealed, amended or suspended by the Proposed Rule: Title 23, Part 220, Chapter 1, Rule 1.2.A. amended, New Rules 1.7-1.10

A. Estimated Costs and Benefits

- Briefly summarize the benefits that may result from this regulation and who will benefit:
MS Division of Medicaid has contracted with a Utilization Management and Quality Improvement Organization (UM/QIO) to perform medical necessity reviews of certain advanced imaging procedures except when performed during an inpatient hospitalization, during an emergency room visit or during a twenty-three (23) hour observation period with an effective date of July 1, 2013, to ensure medical appropriateness of services and to reduce State costs associated with over-utilization of non-prior-authorized services. The State and eligible beneficiaries will directly benefit from this regulation, which will produce approximately \$2.4 Million in net savings annually.
- Briefly describe the need for the proposed rule: *This proposed rule is to provide oversight and monitoring of medical necessity determinations for these specific high cost advanced imaging procedures. Preliminary data trends from FY 07-09 show increased utilization patterns that directly increased State costs.*
- Briefly describe the effect the proposed action will have on the public health, safety, and welfare:
By allowing the contracted UM/QIO to provide utilization management and quality improvement functions, the State will have access to quantitative and qualitative data surrounding medical appropriateness of services reimbursed by MS DOM. Public health, safety and welfare will be upheld by ensuring Medicaid eligible citizens receive medically appropriate services and that State dollars are spent on medically appropriate services.
- Estimated Cost of implementing proposed action:
 - To the agency
☐ Nothing ☒ Minimal ☐ Moderate ☐ Substantial ☐ Excessive
 - To other state or local government entities
☒ Nothing ☐ Minimal ☐ Moderate ☐ Substantial ☐ Excessive
- Estimated Cost and/or economic benefit to all persons directly affected by the proposed rule:

- c. Cost:
☐ Nothing ☒ Minimal ☐ Moderate ☐ Substantial ☐ Excessive
- d. Economic Benefit:
☐ Nothing ☐ Minimal ☒ Moderate ☐ Substantial ☐ Excessive

6. Estimated impact on small businesses:

☒ Nothing ☐ Minimal ☐ Moderate ☐ Substantial ☐ Excessive

- a. Estimate of the number of small businesses subject to the proposed regulation: 0
- b. Projected costs for small businesses to comply: 0
- c. Statement of probable effect on impacted small businesses: No known effect

7. The cost of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):

☐ substantially less than ☒ moderately less than ☐ minimally less than
☐ the same as ☐ minimally more than ☐ moderately more than
☐ substantially more than ☐ excessively more than

8. The benefit of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):

☐ substantially less than ☐ moderately less than ☐ minimally less than
☐ the same as ☐ minimally more than ☒ moderately more than
☐ substantially more than ☐ excessively more than

B. Reasonable Alternative Methods

1. Other than adopting this rule, are there less costly or less intrusive methods for achieving the purpose of the proposed rule?
☐ yes ☒ no
2. If yes, please briefly describe available, reasonable alternative(s) and the reasons for rejecting those alternatives in favor of the proposed rule. (Please see §25-43-4.104 for factors you must consider.)
N/A

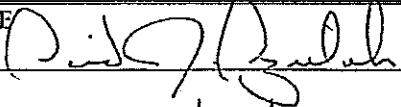
C. Data and Methodology

1. Please briefly describe the data and methodology you used in making the estimates required by this form.
The savings represents an estimated 24% reduction, over a three year time period, in expected utilization and medical costs associated with advanced imaging procedures for Mississippi Division of Medicaid beneficiaries by applying MedSolutions medical review guidelines. The projected medical reimbursement costs without the MedSolutions program would be \$14.9 million and with the MedSolutions program is \$11.4 million. This represents \$3.5 million in projected annual medical reimbursement cost savings, or \$2.4 million in annual savings net the administrative fee. MedSolutions applied the actual experience of 12 other state Medicaid programs to calculate the expected savings for this program.

D. Public Notice

1. Where, when, and how may someone present their views on the proposed rule and demand an oral proceeding on the proposed rule if one is not already provided?
Written comments will be received by the Division of Medicaid, Office of the Governor, Walter Sillers Building, Suite 1000, 550 High Street, Jackson, MS 39201, thirty (30) days

from the date of publication of public notice. All comments will be available for public review at the above address.

SIGNATURE 	TITLE Executive Director
DATE 6/10/13	PROPOSED EFFECTIVE DATE OF RULE July 1, 2013